

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 1315
Ways and Means

(Delegate Hixson)

Budget and Taxation

Income Tax - Filing Returns

This bill provides that if the due date for a federal income tax return which is filed electronically, no later than April 15, the due date for a Maryland income tax return is the same as the federal due date if the Maryland return is filed electronically and if the balance due with the return is paid electronically.

The bill takes effect July 1, 2002.

Fiscal Summary

State Effect: Potential minimal general fund expenditure and revenue decrease. Any effect depends on enactment of federal legislation extending the filing deadline for electronically filed returns.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: An individual or partnership required to file a return for a taxable year must complete and file with the Comptroller an income tax return: (1) on or before April 15 of the next taxable year; or (2) if the income tax is computed for a fiscal year, on or before the fifteenth day of the fourth month after the end of that year. Within 60 days after the date on which a partnership is dissolved or liquidated or withdraws voluntarily

or involuntarily from the State, the partnership is required to complete and file with the Comptroller an income tax return.

Background: Maryland income tax law conforms to the Internal Revenue Code with regards to filing deadlines for income tax returns and payment of taxes owed.

State Fiscal Effect: The impact of the bill depends on whether federal legislation is enacted extending the filing deadline for electronically filed returns and payments made electronically.

It is estimated that by extending the deadline by ten days to April 25, the State could realize savings of approximately \$35,000 due to temporary employees being required for a shorted time. The State could lose an estimated \$85,000 in interest income if the deadline was extended to April 30. These dates have been mentioned as possible dates if the filing deadline is extended. The actual impact depends on how many taxpayers take advantage of any new deadline.

Additional Information

Prior Introductions: None.

Cross File: SB 833 (Senator Hoffman) – Budget and Taxation.

Information Source(s): Comptroller's Office (Bureau of Revenue Estimates),
Department of Legislative Services

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mds/jr

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